Report of the International Monetary Fund on the review of the Inter-Agency Task Force on Finance Statistics and its substructures

I. Background

1. The mandate of the Inter-Agency Task Force on Finance Statistics is as follows:

(a) To set methodological standards for statistics on external debt and public sector debt;

(b) To promote data availability on financial stocks, in particular external debt and public sector debt;

(c) To encourage internationally accepted statistical practices to enhance data quality;

(d) To foster inter-agency collaboration for statistical capacity-building.

2. In 1998, in the wake of the financial crises of the mid-1990s, the mandate of the Task Force was broadened to include the coordination of work to improve the methodological soundness, transparency, timeliness and availability of data on external debt and international reserves. The Task Force meets annually, either in Washington, D.C. or in Europe, at the headquarters of one of its members. It reports every three years to the Statistical Commission and annually to the Committee on Balance of Payments Statistics of the International Monetary Fund (IMF).

3. The current members of the Task Force are the Bank for International Settlements, the Commonwealth Secretariat, the European Central Bank, Eurostat, IMF, the Organization for Economic Cooperation and Development, the Paris Club secretariat, the United Nations Conference on Trade and Development and the World Bank. It is chaired by the Statistics Department of IMF.

4. The Task Force has been in existence since 1992, under the auspices of the Commission, to take stock of the activities of the international organizations involved in finance statistics and to make recommendations aimed at streamlining their work, in particular to avoid duplication of activities. After more than two decades, it was deemed appropriate to review the relevance of the purpose and existence of the Task Force, based on the following premises:

(a) Some elements of the work of the Task Force have drawn to a successful conclusion. Examples include the publication of the latest *External Debt Statistics Guide for Compilers and Users* and the *Public Sector Debt Statistics Guide for Compilers and Users*, as well as the establishment of the Quarterly External Debt Statistics Database and the Quarterly Public Sector Debt Statistics Database;

(b) Other global committees, such as the IMF Committee on Balance of Payments Statistics and Government Finance Statistics Advisory Committee, the Intersecretariat Working Group on National Accounts and the Advisory Expert Group on National Accounts, are in place and can play a leading role in the two areas of responsibility of the Task Force, namely, external debt and public sector debt. Therefore, there is a need to rationalize, create synergies and ensure effective and efficient international cooperation;

(c) Three substructures also exist under the Task Force, namely, the External Debt Statistics Working Group, the Public Sector Debt Statistics Working Group and the Country Engagement Group, which is a subgroup of the Public Sector Debt Statistics Working Group;

(d) The composition of members in the four bodies is largely the same;

(e) The long lifespan of the Task Force and the addition of its three substructures has called into question its overall organizational setting and efficiency, including whether it functions as a task force, an oversight body or a group of experts working on a series of specific tasks;

(f) The past successes of the Task Force notwithstanding, the following substantial doubts have become evident:

(i) In recent years, the actual methodological work of the Task Force has levelled off;

(ii) The members of the Task Force and its three subgroups are basically the same;

(iii) The overall structure of the Task Force is considered too top-heavy;

(g) Given those doubts, a rationalization of the overall structure should be conducted and efforts should be made to find a consolidated and slimmer structure to serve adequately the two related statistical data sets.

II. Issues to be addressed

5. In considering the closure of the Task Force, it is important to reflect on the following activities that will need to be maintained by any new structure:

(a) Developing methods, standards and guidance on both external and public sector debt statistics that conform to the System of National Accounts (SNA) and balance of payments and government finance statistics standards, as required, to ensure that those products remain relevant to policymakers and other users;

(b) Ensuring that efforts to improve capabilities in countries with low capacity for producing debt statistics are maintained by the relevant international agencies;

(c) Ensuring that roles and responsibilities in the collection and compilation of debt statistics as meaningful global indicators are managed and maintained in such a way as to minimize the response burden of national-level statistics compilers.

6. Work in those three areas must be done in accordance with best practices for establishing global statistical standards and products. In addition, the structure would have to promote the idea that any output produced will have to be implemented on a practical basis by countries.

III. Way forward

7. Methodological issues, which are currently discussed within the Task Force, could be addressed by the Intersecretariat Working Group on National Accounts, the Committee on Balance of Payments Statistics and the Government Finance Statistics Advisory Committee. However, the current remit of those three bodies does not generally extend to the areas of data management and capacity-building, which are also currently covered by the Task Force.

8. It is proposed that a new operational body, focused on data management issues, called the inter-agency working group on debt statistics take over the non-methodological responsibilities of the Task Force and the data management work

of its three substructures.[1] The working group would primarily discuss and decide upon matters related to data management and capacity-building.

9. In accordance with established procedures, the Task Force reports to the Commission. That practice could be maintained through regular reporting of the new working group, on a biennial basis, to the Intersecretariat Working Group on National Accounts and other relevant stakeholders, in particular the Committee on Balance of Payments Statistics and the Government Finance Statistics Advisory Committee. The Chair of the Task Force has informed those three bodies and has received positive feedback from them. Subsequently, it was decided that the proposed new structure would be submitted to the Commission (see annex).

10. The Intersecretariat Working Group on National Accounts, the Committee on Balance of Payments Statistics and the Government Finance Statistics Advisory Committee would be the high-level committees that would advise on methodological standards and guidance on debt statistics at the request of the new working group.

11. If and when the new working group deemed it necessary, any recommendations or suggestions on methodological issues relating to external debt statistics would be addressed to the Committee on Balance of Payments Statistics, while those relating to public sector debt statistics would be addressed to the Intersecretariat Working Group on National Accounts and/or the Government Finance Statistics Advisory Committee.

12. The advantage of this proposal is that it addresses the joint concerns of having too many bodies with a similar composition reporting on similar items and of ensuring that necessary work items are carried over from the Task Force's remit. The creation of a working group of this nature, rather than the complex configuration of the Task Force and its substructures, is deemed to be the most appropriate way to ensure that there is an international group ready to address debt issues as they arise. The proposed new structure would also best satisfy the ongoing requirement of working with others in the global financial statistics community.

13. It is proposed that the new working group organize videoconferences twice a year. Physical meetings are not expected to be conducted, but could be organized on an ad hoc basis, if deemed necessary. With regard to the governance structure, it is proposed that the new body have a rotating chairmanship, so that each member act as Chair for a period of two years, with the position being handed over from one organization to the next at the end of the current period. The institution acting as Chair will also serve as the secretariat on the same basis.

IV. Other issues to consider

14. It is also recommended that the work of the Task Force be put on hold until it has been determined that the new simplified structure and the migration of the programme of work of the Task Force have been successful.

15. Any existing matters related to the debt statistics database discussed within the Task Force (for example, the Joint External Debt Hub) would be part of the programme of work of the new working group.

[1] At the present stage, IMF proposes to freeze the work of the Task Force, allowing for an interim period for the proposed working group to be established. Once that is done, the Task Force could be formally closed down. The membership of the Task Force should be included in the new working group.

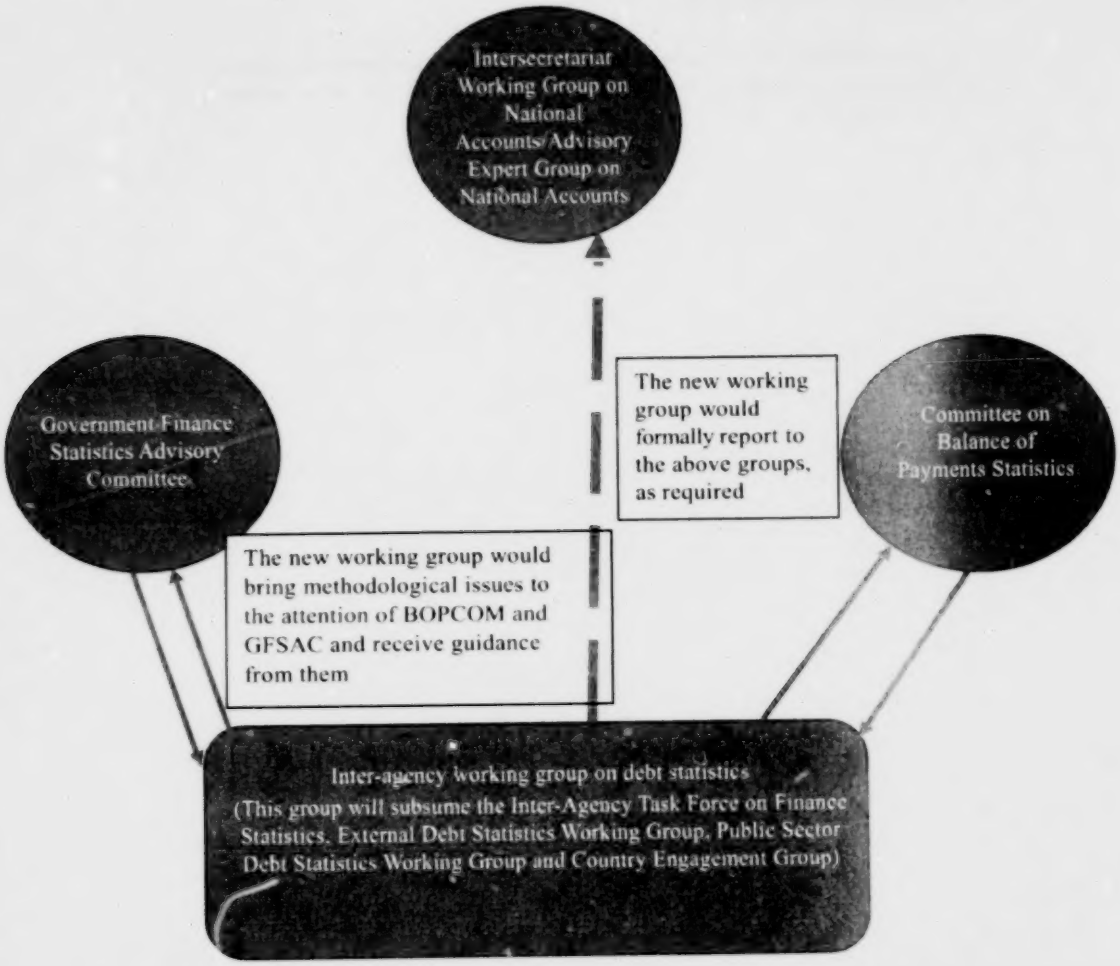
16. The proposed working group should continue to adopt a collaborative approach through which different agencies mutually support training activities on debt statistics.

V. Points for discussion

17. **The Commission is invited to express its views and provide guidance on the proposed new simplified structure and migration of the work programme on finance statistics.**

Annex

Proposed new structure of the work programme on finance statistics


Intersecretariat Working Group on National Accounts/Advisory Expert Group on National Accounts
Government Finance Statistics Advisory Committee
The new working group would formally report to the above groups, as required
Committee on Balance of Payments Statistics
The new working group would bring methodological issues to the attention of BOPCOM and GFSAC and receive guidance from them
Inter-agency working group on debt statistics
(This group will subsume the Inter-Agency Task Force on Finance Statistics, External Debt Statistics Working Group, Public Sector Debt Statistics Working Group and Country Engagement Group)